

VILLAGE OF LUCKY

FINANCIAL REPORT

JUNE 30, 2003

Village of Lucky

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Accountants' Compilation Report on the Financial Statements		1
General Purpose Financial Statements <u>Combined Statements - Overview</u>		
Combined Balance Sheet-All Fund Types and Account Group	A	3
Statement of Revenues, Expenditures and Changes in Fund Balance- Governmental Fund Type	B	4
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget (GAAP Basis) and Actual-Governmental Fund Type-General Fund	C	5
Notes to Financial Statements		7-10
Independent Accountants' Report on Applying Agreed-Upon Procedures	D	11-13
Attestation Questionnaire	E	14-16

Johnson, Thomas & Cunningham

Certified Public Accountants

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ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS

To the Mayor and Aldermen
of the Village of Lucky, Louisiana

We have compiled the accompanying general purpose financial statements of the Village of Lucky, Louisiana, as of June 30, 2003, and for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified accrual basis of accounting, which is the generally accepted accounting methods established by the Governmental Accounting Standards Board for governmental units.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated December 12, 2003, on the results of our agreed-upon procedures.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

December 12, 2003
Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS-OVERVIEW)

Village of Lucky

Combined Balance Sheet-All Fund Types and Account Group
June 30, 2003

	<u>Governmental Fund Type</u>	<u>Account Group</u>	<u>Totals</u>
	<u>General</u>	<u>General</u>	<u>(Memorandum Only)</u>
	<u>Fund</u>	<u>Fixed Assets</u>	<u>June 30, 2003</u>
<u>Assets</u>			
Cash	\$3,567	\$ 0	\$ 3,567
Land	0	4,850	4,850
Equipment	0	25,857	25,857
Buildings	<u>0</u>	<u>15,595</u>	<u>15,595</u>
Total Assets	<u>\$3,567</u>	<u>\$46,302</u>	<u>\$49,869</u>
<u>Liabilities</u>			
Accounts Payable	\$ <u>239</u>	\$ <u>0</u>	\$ <u>239</u>
<u>Fund Equity</u>			
Investment in General			
Fixed Assets	\$ 0	\$46,302	\$46,302
Fund Balance-			
Unreserved-			
Undesignated	<u>3,328</u>	<u>0</u>	<u>3,328</u>
Total Fund Equity	<u>\$3,328</u>	<u>\$46,302</u>	<u>\$49,630</u>
Total Liabilities & Fund Equity	<u>\$3,567</u>	<u>\$46,302</u>	<u>\$49,869</u>

See accountants' compilation report and notes to financial statements.

Village of Lucky

Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Fund Type
Year Ended June 30, 2003

	General <u>Fund</u>
Revenues:	
Taxes	\$ 2,304
Franchise Fees	4,172
Intergovernmental- State Grant	14,942
Miscellaneous	<u>37</u>
Total Revenues	<u>\$21,455</u>
Expenditures:	
Current-	
General Government	\$19,244
Public Safety	<u>3,394</u>
Total Expenditures	<u>\$22,638</u>
(Deficiency) of Revenues Over Expenditures	\$ (1,183)
Fund Balance-Beginning of Year	<u>4,511</u>
Fund Balance-End of Year	<u>\$ 3,328</u>

See accountants' compilation report and notes to financial statements.

Village of Lucky

Combined Statement of Revenues, Expenditures and Changes in Fund Balances-
Governmental Fund Type
Year Ended June 30, 2003

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues:			
Taxes	\$ 2,500	\$ 2,304	\$ (196)
Franchise Fees	4,500	4,172	(328)
Intergovernmental-			
State Grant	14,942	14,942	0
Miscellaneous	<u>58</u>	<u>37</u>	<u>(21)</u>
Total Revenues	<u>\$22,000</u>	<u>\$21,455</u>	<u>\$ (545)</u>
Expenditures:			
Current-			
General Government	\$19,000	\$19,244	\$ (244)
Public Safety	<u>3,000</u>	<u>3,394</u>	<u>(394)</u>
Total Expenditures	<u>\$22,000</u>	<u>\$22,638</u>	<u>\$ (638)</u>
(Deficiency) of Revenues Over Expenditures	\$ 0	\$ (1,183)	\$(1,183)
Fund Balance-Beginning of Year	<u>4,511</u>	<u>4,511</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 4,511</u>	<u>\$ 3,328</u>	<u>\$(1,183)</u>

See accountants' compilation report and notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Village of Lucky, Louisiana

Notes to Financial Statements
June 30, 2003

1. The Reporting Entity:

This report includes all funds and account groups which are controlled or dependent on the Village of Lucky's executive and legislative branches (the Mayor and Aldermen). Control by or dependence on the Village of Lucky was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of government body, and other general oversight responsibility.

The Village's operations include police, drainage, and general and administrative services.

2. Summary of Significant Accounting Policies:

Reporting Entity-As the municipal governing authority, for reporting purposes, the Village of Lucky is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Lucky for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Village of Lucky as the primary government. The Village does not have any component units.

Village of Lucky, Louisiana

Notes to Financial Statements
June 30, 2003

The following is a summary of certain significant accounting policies and practices:

Fund Accounting The accounts of the Village of Lucky are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into one generic fund type and one broad fund category as follows:

Governmental Fund-

General Fund-The general fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Fixed Assets-The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed Assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, and are recorded as expenditures in the governmental fund types when purchased. Assets are valued at historical cost. The Village has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

The account group is not a "fund". It is concerned only with the measurement of financial position, and is not involved with the measurement of results of operations.

Basis of Accounting

All governmental funds are accounted for using the modified accrual basis of accounting. The majority of intergovernmental revenues are recorded as earned since they are measurable and available and are therefore considered to be susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchase of various operating supplies are regarded as expenditures at the time purchased.

Village of Lucky, Louisiana
Notes to Financial Statements
June 30, 2003

Retirement Commitments

The employees of the Village of Lucky are not covered by any pension system.

Unpaid Accumulated Vacation and Sick Pay

At June 30, 2003, there was no unpaid accumulated vacation or sick pay.

Total Columns on Combined Statements - Overview

Total columns on the combined statements-overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Budgetary Practices

Prior to the beginning of each fiscal year, the Treasurer submits a proposed budget to the Village Council. The budget is adopted, and held open for public inspection. All budgetary appropriations lapse at the end of the year. The budget presented in these financial statements was adopted on a basis consistent with generally accepted accounting principles.

3. Changes in General Fixed Assets:

A summary of changes in general fixed assets follows:

	<u>Buildings</u>	<u>Land</u>	<u>Equipment</u>	<u>Total</u>
Balance at July 1, 2002	\$15,000	\$4,850	\$11,735	\$31,585
Deletions for year ended 6-30-03	0	0	0	0
Additions for year ended 6-30-03	<u>595</u>	<u>0</u>	<u>14,122</u>	<u>14,717</u>
Balance at June 30, 2003	<u>\$15,595</u>	<u>\$4,850</u>	<u>\$25,857</u>	<u>\$46,302</u>

4. Litigation:

At June 30, 2003, there were no pending civil suits against the Village.

Village of Lucky, Louisiana

Notes to Financial Statements
June 30, 2003**5. Cash and Investments:**

The Village's cash is held in separate cash accounts, and accounted for separately in each of the Village's funds. At June 30, 2003, the Village's cash totaled \$3,580. All of this cash is held by banks, and \$3,580 is covered by FDIC insurance.

The Village's cash is categorized below to give an indication of the level of risk assumed by the Village at June 30, 2003. Category 1 includes cash held by the Village which is insured and held in the Village's name. Category 2 would include cash and investments held in the Village's name which is uninsured or unregistered. Category 3 would include the Village's cash held by a trustee or other third party not in the Village's name and uninsured and unregistered.

	Category <u>1</u>	Category <u>2</u>	Category <u>3</u>	Carrying <u>Value</u>
Total Cash & Cash Equivalents	\$3,580	\$0	\$0	\$3,580
FDIC Insurance	<u>3,580</u>	<u>0</u>	<u>0</u>	<u>3,580</u>
Balance Uninsured	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

6. Compensation Paid to Council Members:

The Village of Lucky does not provide any form of compensation to the members of its council.

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Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and Aldermen
of the Village of Lucky, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Lucky and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Lucky's compliance with certain laws and regulations during the year ended June 30, 2003 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

All applicable expenditures were found to be in compliance.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42-1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list, including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None found.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget.
There were no amendments to the budget during the year.

6. Trace the budget adoption to the minute book.

We traced the adoption of the budget to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All payments examined were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

All payments examined were properly approved by the proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village of Lucky is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposits slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

None found.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Lucky and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

December 12, 2003
Natchitoches, Louisiana

VILLAGE OF LUCKY
LOUISIANA ATTESTATION QUESTIONNAIRE

Johnson, Thomas & Cunningham, CPA's
321 Bienville Street
Natchitoches, LA 71457

In connection with your compilation of our financial statements as of June 30, 2003 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 12/15/03.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes X No ____

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes X No ____

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes X No ____

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14 or the budget requirements of LSA-RS 39:43.

Yes X No ____

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes X No ____

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:453, and/or 39:92, as applicable.

Yes X No ____

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes X No ____

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes X No ____

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes X No ____

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 72-729.

Yes X No ____

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Mayor Bobby J. Boston Date 12/15/03

Note - Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contact with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.